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DEPARTMENT OF NATURAL RESOURCES

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Division of Oil, Gas and Mining

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M0170049

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April 13, 2009

Harold Roberts
Dennison Mines Corporation
Independence Plaza
1050 Seventeenth Street, Suite 950
Denver, Colorado 80265

Subject: Second Review of Amended Notice of Intention to Commence Large Mining Operations, Dennison Mines (USA) Corporation, Tony M Mine, M0170049, Garfield County, Utah

Dear Mr. Roberts:

The Division has completed a review of your amended Notice of Intention to Commence Large Mining Operations for the Tony M Mine, located in Garfield County, Utah, which was received September 29, 2008. The attached comments will need to be addressed before the amendment can be approved.

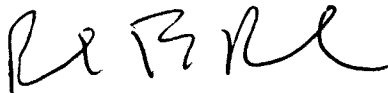
The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages of the original mining notice using **redline and strikeout** text, so we can see what changes have been made. After the notice is determined technically complete and we are prepared to issue final approval, we will ask that you send us two clean copies of the complete and corrected plan. Upon final approval of the permit, we will return one copy stamped "approved" for your records.



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The Division will suspend further review of the Notice of Intention until your response to this letter is received. If you have any questions in this regard, please contact me at (801) 538-5361, Susan White at (801) 538-5258, or Wayne Western at (801) 538-5263. Thank you for your cooperation and patience.

Sincerely,

A handwritten signature in black ink, appearing to read 'P B Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB:whw:vs

Enclosure

cc: Will Stokes, SITLA

Buzz Rakow, Hanksville BLM

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REVIEW OF NOTICE OF INTENTION TO COMMENCE LARGE MINING OPERATIONS

Dennison Mines (USA) Corporation
Tony M Mine
M0170049
April 13, 2009

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1	All	New or upgraded access roads to the mine shaft and vent holes must be included in disturbed area designations.	SW	
2	Figure 2	On a map that has a scale of approximately 1 inch = 2,000 feet, such as Figure 2, State Highway should be identified and the distance from landmark on the map to a general landmark should be shown. The reason is so that someone not familiar with the area can easily find the site.	WH W	

R647-4-106 - Operation Plan

General Operation Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
3		In order to eliminate the problems in Phase 1 construction please commit to establishing sediment controls and salvaging topsoil as the first steps in the construction process.	SW	

106.1 Existing soil types, location, amount

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
4	106.6	Please provide a pre-operations radiation survey showing gamma radiation levels in the areas where you intend to disturb including the ore storage area, waste rock pile, various areas around the facilities and at each vent hole. This should be done with an unshielded Ludlum micro R or similar meter at about three feet above the ground. A post-reclamation radiation survey should be submitted at bond release showing that background radiation levels are similar.	SW	
5	App. K (referenced on p. 49)	The appendix Evaporation Pond Sediment and Ore Stockpile Analytical Data couldn't be found. Please provide.	SW	
6	Table 3.2	The soils data for the 2008 samples is missing. Please provide.	SW	

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
7	Appendix	Baseline Vegetation and Soils Report – The figures in the report show salvageable soils at each vent hole. It is unclear if the material will be salvaged. It is also unclear how much of a disturbance will be created when constructing the vent hole. A typical drawing of a vent hole site would be appreciated.	SW	

106.2 Plan for protecting & redepositing soils

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
8	P. 31, 50	How will the Phase 2 evaporation pond be reclaimed if the topsoil material is used in construction of the dam and liner and possibly contaminated with uranium, vanadium, and radionuclides?	SW	

R647-4-107 - Operation Practices

107.4 Deleterious material safety stored or removed

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
9	p. 41	Please provide a discussion on the potentially deleterious uranium ore stored on site. How will it be protected from wind and water erosion?	SW	

R647-4-109 - Impact Assessment

109.5 Actions to mitigate any impacts

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
10		Utah Code Ann. § 9-8-404 requires all state agencies to take into account the effect of an undertaking (permit) on any historic property and to provide the state historic preservation officer with a written evaluation of the permitting's effect on historic properties. In order for the Division to comply with this requirement please provide an archaeological and historic survey of all areas to be disturbed by Phase 2 activities. The Governor's Public Lands Policy Coordination Office has a list of permitted investigators (http://governor.utah.gov/publiclands/default.htm). The survey summary should discuss the effects of the permit on any historic resources.	SW	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
	Table 7-1 Phase 1 Table 7-2 Phase 2 Attachment L Reclamation Bond Estimate	<p>The Division is instituting a program to standardize how reclamation costs are calculated. The Division is now using standardized forms and procedures for calculating reclamation cost estimates.</p> <p>The Division requests that you use the Division's forms and procedures for calculating reclamation cost estimates. The Division will provide copies of the forms in either hard copy or electronic format.</p> <p>The Division's main references are Means, Blue Book and the Caterpillar Handbook. The Division will provide unit costs as needed.</p> <p>R647-4-113.3 requires that the Division determine the bond amount. Based on the calculations provided in the application, the Division completed a preliminary estimate of the demolition costs.</p> <p>The Division needs addition information to complete the demolition work such as the electrical generators, air compressor station, propane heating system, water lines, ventilation fans and hoists, explosive magazines.</p> <p>The Division needs additional information for earthwork costs such as type of equipment and operating conditions. Those items are in the Division's worksheet and are similar to the methods in the Caterpillar Handbook.</p> <p>Please call Wayne H. Western at 801-538-5263 or email at waynewestern@utah.gov if you have any questions.</p>	whw	